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BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, D.C. 20554

Review of the Prime Time Access Rule, )  
Section 73.658(k) )  
of the Commission's Rules )

MM Docket No. 94-123

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To: The Commission

COMMENTS OF THE MOTION PICTURE ASSOCIATION  
OF AMERICA, INC.

March 6, 1995

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## **SUMMARY**

The Motion Picture Association of America, Inc. ("MPAA") urges the Commission to retain the Prime Time Access Rule's ("PTAR") core prohibition against the broadcast of network-supplied programming during the access period by network-affiliated stations in the top 50 markets.

PTAR's core prohibition against network-supplied programming during the access period has effectively served the public interest objectives of limiting network control over affiliates, increasing diversity in television programming, encouraging the development of independent program sources, and strengthening the competitive viability of independent television stations. Moreover, the significant marketplace and regulatory changes that have occurred since PTAR's adoption have reaffirmed rather than eliminated the need for PTAR's core prohibition on network-supplied programming.

The success of the market for independently produced programs and the inadequacy of new technologies, particularly cable television, as alternatives to broadcast television support the continuation of PTAR's network restriction. Similarly, the modification and elimination of other network regulations, such as the financial interest and syndication rules, supports retention of PTAR's network restriction as the last remaining regulatory safeguard for the independent program market.

The benefits of retaining access by independent program producers to network affiliates' prime time schedules outweigh any claimed costs. In providing significant public interest benefits of reducing undue network influence and enhancing program, source, and outlet

diversity, PTAR's network restriction remains an exceptionally modest and carefully tailored method of regulatory intervention which imposes no significant costs in any affected parties.

For the foregoing reasons, the Commission should retain PTAR's core prohibition against the broadcast of network-supplied programming during the access period.

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**COMMENTS OF THE MOTION PICTURE ASSOCIATION  
OF AMERICA, INC.**

The Motion Picture Association of America, Inc. ("MPAA"), by its attorneys and pursuant to Section 1.415 of the Commission's Rules of the Federal Communications Commission ("FCC" or "Commission"), 47 C.F.R. § 1.415 (1993), submits these comments in response to the Commission's Notice of Proposed Rulemaking<sup>1/</sup> in the above-referenced proceeding.

**I. INTRODUCTION**

MPAA represents eight leading United States producers and distributors of motion pictures and television programming.<sup>2/</sup> As both producers and distributors of television

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<sup>1/</sup> Review of the Prime Time Access Rule, Section 73.658(k) of the Commission's Rules, 9 FCC Rcd 6328 (1994) ("PTAR NPRM").

<sup>2/</sup> MPAA's member companies participating in this filing are Buena Vista Pictures Distribution, Inc.; Metro-Goldwyn-Mayer Inc.; Paramount Pictures Corporation; Sony Pictures Entertainment Inc.; Universal City Studios, Inc.; and Warner Bros., a division of Time Warner Entertainment Company, L.P. Twentieth Century Fox Film Corp. is not participating in this submission.

programming, MPAA members have a vital interest in any Commission action to repeal, modify, or retain the Prime Time Access Rule ("PTAR").<sup>3/</sup> To ensure that PTAR's principal underlying purpose of providing diversity in television programming is achieved, MPAA believes it is essential that the Commission retain PTAR's core prohibition against network-supplied programming during the access period.

## **II. THE PROHIBITION ON NETWORK-SUPPLIED PROGRAMMING DURING THE ACCESS PERIOD HAS SERVED THE PUBLIC INTEREST OBJECTIVES ENVISIONED BY THE FCC AND SHOULD BE RETAINED**

The Commission initially adopted PTAR in 1970 after finding that "[t]he public interest requires limitation on network control and an increase in the opportunity for development of truly independent sources of prime time programming."<sup>4/</sup> By limiting network control of programming during the valuable prime time hours, the Commission sought to allow network

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<sup>3/</sup> PTAR generally restricts network-affiliated television stations in the top 50 markets from broadcasting programs from a national network ("network programs" or "network-supplied programs") or programs formerly on a national network ("off-network programs") for more than three hours during the four prime time viewing hours (i.e., 7-11 p.m. Eastern and Pacific times; 6-10 p.m. Central and Mountain times). Certain types of programs (e.g., news, public affairs, documentaries, and children's programs) are exempted from the rule. 47 C.F.R. § 73.658(k) (1993). These comments focus exclusively on the first restriction, i.e., the restriction on network-supplied programming, and do not address the off-network restriction.

<sup>4/</sup> Amendment of Part 73 of the Commission's Rules and Regulations with Respect to Competition and Responsibility in Network Television Broadcasting, 23 FCC2d 382 (1970) ("PTAR I"). Although the Commission modified PTAR I in Consideration of the Operation of, and Possible Changes in, the Prime Time Access Rule, 44 FCC2d 1081 (1974) ("PTAR II"), the Court of Appeals for the Second Circuit stayed implementation of PTAR II. See National Ass'n of Indep. Television Producers and Distributors v. FCC, 502 F2d 249 (2d Cir. 1974). Subsequently, the Commission abandoned PTAR II and instituted PTAR in its current form in Consideration of the Operation of, and Possible Changes in, the Prime Time Access Rule, 50 FCC2d 829 (1975) ("PTAR III").

affiliates the freedom not only to provide a diverse array of programs, but also to present programs that would be more responsive to the needs and interests of the residents of their communities of license.<sup>5/</sup> Although PTAR was not intended "to carve out a competition free haven for syndicators" or "to smooth the path for existing syndicators," the Commission stressed that a principal goal of PTAR is "to provide opportunity . . . for competitive development of alternate sources of television programs so that television licensees can exercise something more than a nominal choice" in the selection of broadcast programs.<sup>6/</sup> Furthermore, the Commission stated its belief that PTAR's fostering of independent program sources also would produce "concomitant benefits in an increased supply of programs for independent . . . stations."<sup>7/</sup> In sum, the Commission adopted PTAR in the hope of promoting the public interest objectives of limiting network control over affiliates, increasing diversity in television programming, encouraging the development of independent program sources, and strengthening the competitive viability of independent television stations. As discussed below, significant changes that have occurred in the television industry since PTAR was adopted in 1970 suggest that PTAR has effectively served the FCC's public interest objectives and that its core prohibition against network-supplied programming should therefore be retained.

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<sup>5/</sup> See PTAR III, 50 FCC2d at 835.

<sup>6/</sup> PTAR I, 23 FCC2d at 397.

<sup>7/</sup> Id. at 395.



**A. PTAR Has Enhanced Diversity in the Mass Media Marketplace**

**1. PTAR Has Enhanced Program Diversity**

PTAR's contribution to the promotion of program diversity in television is evident. In 1970, only 45 first-run syndicated programs were sold to television stations.<sup>8/</sup> Twenty years later, in contrast, 250 first-run syndicated programs were sold.<sup>9/</sup> Moreover, as of November 1994, 20 of the top 25 most popular syndicated programs were first-run syndications.<sup>10/</sup> In addition, first-run syndicated programs broadcast during the prime time hours by network affiliates in the top 50 markets typically obtain the highest ratings for their time period.<sup>11/</sup>

The growth of the first-run syndication market can be attributed in large part to PTAR. By creating a market for first-run syndicated programs on network-affiliated stations during prime time hours, PTAR enables producers of these programs to sell their shows in the all-important prime time period where they can obtain revenues necessary to justify the cost of production. First-run syndicated programs, compared to network-supplied programs, are especially risky because they must be sold on a market-by-market basis. Because network affiliates generally are the strongest and most established local stations, access to these stations

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<sup>8/</sup> PTAR NPRM, 9 FCC Rcd at 6340.

<sup>9/</sup> Id. (citing Nielsen Media Research, Report on Syndicated Programs, November 1990).

<sup>10/</sup> Nielsen Media Research, Report on Syndicated Programs, at R-11, November 1994 ("Nielsen Syndicated Report 1994"). Because several programs tied for the same place, a total of 27 programs made the top 25 list of popular syndicated programs. Id. Similarly, in 1990, 18 of the top 25 most popular syndicated programs were first-run syndications. Setzer and Levy, Broadcast Television in a Multichannel Marketplace, OPP Working Paper No. 26, 6 FCC Rcd 3996, 4087 (1991) (citing Nielsen Media Research, Report on Syndicated Programs, November 1990) ("OPP Paper").

<sup>11/</sup> PTAR NPRM, 9 FCC Rcd at 6340 (citing Arbitron Television, Television Daypart Audience Estimates Summary, February 1992).

and, consequently, to their loyal viewers, is crucial to the success of any program intended for a national audience. One effect of PTAR's network restriction, therefore, has been to ensure that first-run syndicated programs were not foreclosed from network-affiliated stations and thereby compelled to rely solely on independent stations.

## **2. PTAR Has Enhanced Source Diversity**

As a direct result of PTAR's reserved time block for independently produced programs during the access period, the growing demand for such programs has increased their value, thereby encouraging the entry of new independent program producers and largely contributing to the growth and vitality of independent program producers.<sup>12/</sup> Although proponents of repeal contend that 93 percent of the syndicated programs broadcast by network affiliates during the access period are produced by only three program suppliers (King World, Paramount, and Fox),<sup>13/</sup> they fail to acknowledge the approximately 100 other independent producers<sup>14/</sup> who supply the 250 first-run syndicated programs<sup>15/</sup> that are broadcast on network-affiliated stations during other time periods or on independent stations. As discussed in Section II(A)(1), this proliferation of first-run syndicated programs is attributable in significant measure to the existence of PTAR. In addition, the dominance of a few producers of programs broadcast by

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<sup>12/</sup> We use the term "independent program producers" in the same manner as the Commission appears to use that term -- namely, to encompass all producers that are independent of ABC, CBS, and NBC.

<sup>13/</sup> See, e.g., Comments of National Broadcasting Corporation, Inc. ("NBC"), MM Docket No. 94-123, at 14 (filed June 14, 1994).

<sup>14/</sup> See Nielsen Syndicated Report 1994, at S-11 to S-17.

<sup>15/</sup> See supra note 9 and accompanying text.

network affiliates during the access period does not change the fact that PTAR has contributed to the presence of at least three strong independent program producers and a number of smaller companies in the first-run market today, where none existed before. Moreover, it is to be expected that PTAR can promote only a limited number of independent producers of first-run programs broadcast on network-affiliated stations, since the rule reserves a very limited time period for such programming on network-affiliated stations. Because the success of a first-run syndicated program is highly dependent on access to a national audience that can attract the necessary advertising revenues, the same program must be broadcast by a significant number of primary stations throughout the country for it to be viable. Thus, only a limited number of first-run syndicated programs can be broadcast on network-affiliated stations during the limited access period. Furthermore, with the lifting of the network consent decrees' restrictions on network involvement in the syndication market and the sunset of the network syndication ban under the financial interest and syndication ("finsyn") rules scheduled to occur in November 1995,<sup>16/</sup> PTAR might be the only remaining regulation designed to promote independent program production and source diversity.

### 3. PTAR Has Enhanced Outlet Diversity

Since 1970, the number of independent television stations has surged from 82 stations to over 450 stations.<sup>17/</sup> In the top 50 markets, the number of independent stations has grown from 67 stations to 289 stations.<sup>18/</sup> Additionally, in 1970, 65 percent of all television

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<sup>16/</sup> See infra Section III(D).

<sup>17/</sup> PTAR NPRH, 9 FCC Rcd at 6338 (citing INTV Census, February 24, 1994).

<sup>18/</sup> Id.

households received six or more broadcast channels,<sup>19/</sup> whereas by 1993, 70 percent of all television households were able to receive 11 or more broadcast channels.<sup>20/</sup> The past few years have witnessed not only the rapid proliferation of new independent television stations, but also the development of three emerging new national broadcast networks.<sup>21/</sup>

PTAR can be credited with much of the success of independent television stations and the emergence of new national broadcast networks.<sup>22/</sup> By prohibiting network affiliates from broadcasting network-supplied programs during the access period, PTAR's network restriction provides a more level playing field as between network affiliates and independent stations during the access period. The proliferation and strengthening of independent television stations, in turn, provided the necessary foundation to ensure the successful launching of new national broadcast networks.

**B. PTAR Has Mitigated the Networks' Ability to Dictate Affiliate Programming Choices**

It is well-established that the network entity typically is in a more powerful position than an individual network affiliate because the network's need for any single affiliated station is considerably less than the individual station's need for the benefits provided by network

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<sup>19/</sup> Nielsen Media Research, Nielsen Television 1977, at 5.

<sup>20/</sup> Nielsen Media Research, Television Audience 1993, at 9.

<sup>21/</sup> Fox Broadcasting Company ("Fox") was launched in 1987. United Paramount Network and The WB Television Network were both launched in early 1995. See Broadcasting & Cable, January 2, 1995, at 30.

<sup>22/</sup> See Independent Thinking, at 7-4 ("The rule has worked to the benefit of local television stations, particularly Independents.")

affiliation, such as a prepackaged schedule of proven programming, lower programming costs, and the potential for greater advertising revenues.<sup>23/</sup> Since its adoption, PTAR's network restriction has served to diminish the major networks' power to control their affiliates' programming choices by both directly prohibiting network-supplied programming during the access period and indirectly providing affiliates with feasible alternatives to the traditional networks. Indeed, the increase in affiliates' bargaining power with the networks in recent years is generally attributed to the availability of alternatives to affiliation with the major networks, such as the opportunity to switch to a new emerging network or to obtain quality syndicated programming in the absence of a network affiliation.<sup>24/</sup> As noted above, the emergence of these new networks can be traced back, at least in part, to PTAR.

Despite improvements in network affiliates' bargaining position resulting from PTAR's network restriction, the networks' power to dictate affiliate programming choices persists; thus the need for regulation continues. Indeed, the parties who are directly involved in the relationship (i.e., the networks and their affiliates) agree that networks continue to wield power over their affiliates' programming choices and that PTAR's network restriction is necessary to restrain that power. According to the Network Affiliated Stations Alliance ("NASA"), "[PTAR's] prohibition on carriage of first-run network programming in access time continues to protect the ability of local stations to program to the needs and interest of their local communities and remains important to the Affiliates."<sup>25/</sup> Likewise, NBC concedes that there

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<sup>23/</sup> See, e.g., Report and Order, 27 FCC 697, 713 (1959), aff'd sub nom., Metropolitan Television Co. v. FCC, 289 F.2d 874 (D.C. Cir. 1961).

<sup>24/</sup> See PTAR NPRM, 9 FCC Rcd at 6353 (1994).

<sup>25/</sup> Comments of NASA, MM Docket No. 94-123, at 3 (filed June 14, 1994).

is "some justification for limiting to three hours the amount of prime time programming a top 50 market affiliate can accept from its network pursuant to a network affiliation agreement."<sup>26/</sup> In so stating, NBC implicitly recognizes that without the restraint imposed by PTAR's network restriction, affiliates would succumb to their networks' power to dictate programming choices during the access period.

### **III. MARKETPLACE AND REGULATORY CHANGES HAVE NOT ELIMINATED THE NEED FOR RESTRICTIONS ON NETWORK-SUPPLIED PROGRAMMING DURING THE ACCESS PERIOD**

Despite the significant marketplace and regulatory changes that have occurred in the years since PTAR's adoption, the need for PTAR's core prohibition on network-supplied programming during the access period persists. The success of the market for independently produced programs and the inadequacy of new technologies as alternatives to broadcast television support the continuation of PTAR's network restriction. Similarly, the elimination of other network regulations supports retention of PTAR's network restriction as the last remaining regulatory safeguard for the independent program market.

#### **A. Access to Network Affiliates in the Top 50 Markets Remains a Critical Element in the Viability of Independently Produced Programs**

Despite the increased demand for independently produced programs by independent stations and network affiliates, including those affiliates outside the top 50 markets, the growth and viability of the market for independently produced programs cannot be sustained without providing these programs access to network affiliates in the top 50 markets during the access

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<sup>26/</sup> Comments of NBC, MM Docket No. 94-123, at 15 (filed June 14, 1994).

period. Network affiliates in the largest markets generally are the strongest and most established local stations, commanding the greatest share of resources,<sup>27/</sup> the largest audiences,<sup>28/</sup> and, consequently, the highest advertising revenues. Moreover, with respect to network affiliates' broadcast of non-network programming, no other time period holds greater audience potential than the access period.<sup>29/</sup> Thus, without access to network affiliates in the largest markets during the premium access period, independent program producers lose their most lucrative time period.

Although it is theoretically possible that repeal of PTAR's network restriction would not cause the networks to exert pressure on their affiliates to broadcast network-supplied programming, this risk is not worth taking. As discussed in Section II(B), it is extremely likely that in the absence of PTAR, networks will exercise their superior bargaining power to induce

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<sup>27/</sup> The average profits of network affiliates during the period between 1975 and 1989 have consistently exceeded 20 percent of net revenues. In contrast, independent stations on average experienced losses during the last half of the 1980s and then made a feeble comeback in 1989 with an average profit of 1.9 percent of net revenues. OPP Paper, 6 FCC Rcd at 4025-26.

<sup>28/</sup> From October 3 to December 25, 1994, network affiliates attracted almost three times as much of the viewing audience (59.2 percent) as did the independent stations, including Fox-affiliated stations (21.4 percent). Nielsen Media Research, Cable Activity Report, at B-2, October 3 - December 25 ("Nielsen Activity Report 1994").

<sup>29/</sup> Outside of the 8-11 time period, the number of homes using television ("HUTs") is highest during the access period from 7:30 p.m. to 8 p.m. (Eastern time). For example, during the fourth quarter of 1994 (October 3 - December 25), the percentage of U.S. households actually using their television sets (i.e., the "HUT level") rose from 39.8 percent during the "early fringe" period between 4:30 p.m. and 6 p.m. (Eastern time) to 56.9 percent during the access period between 7:30 p.m. and 8 p.m. (Eastern time). This represents a significant increase of 43 percent. See Nielsen Activity Report 1994, at B-8, B-10. Additionally, of all the non-prime time dayparts, the access period between 7:30 p.m. and 8 p.m. generated the highest level of audience share for the network affiliated stations. See id., at B-10.

their affiliates to accept their network-supplied programs over alternative, independently produced programming.

**B. Cable Television and Other Forms of Program Distribution Are Not a Substitute for Over-the-Air Television**

Although the growth of cable television and the advent of new video distribution services (e.g., satellite master antenna systems, direct broadcast satellite service, home satellite dishes, low power television, and video cassette recorders) have provided additional outlets for promoting program diversity, they have not been able to match the ubiquity and importance of traditional broadcast television as the principal outlet for mass appeal programming. The United States Congress, in its findings under the Cable Television Consumer Protection and Competition Act of 1992 ("1992 Cable Act"), has determined that the existing alternative technologies, including cable, do not replace over-the-air television as "an important source of local news and public affairs programming and other local broadcast services critical to an informed electorate."<sup>30/</sup> Similarly, the Supreme Court declared the irreplaceable value of broadcast television:

[T]he importance of local broadcasting outlets "can scarcely be exaggerated, for broadcasting is demonstrably a principal source of information and entertainment for a great part of the Nation's population." . . . The interest in maintaining the local broadcasting structure does not evaporate simply because cable has come upon the scene. Although cable and other technologies have ushered in alternatives to broadcast television, nearly 40 percent of American households still rely on broadcast stations as their exclusive source of television programming.<sup>31/</sup>

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<sup>30/</sup> 1992 Cable Act §§ 2(a)(9).

<sup>31/</sup> Turner Broadcasting System v. FCC, 62 USLW 4647, 4658 (June 27, 1994) (quoting United States v. Southwestern Cable Co., 392 U.S. 157, 177 (1968)) (citations omitted).



Of the new services, cable television offers the most significant competition to broadcast television. Yet, today only 62.5 percent of all television households subscribe to cable services, leaving almost 40 percent of Americans to rely principally on broadcast television for their programming needs.<sup>32/</sup> Moreover, the percentage of television households that will have access to cable television is not predicted to increase significantly by the end of this century.<sup>33/</sup> Even where cable television is available, the public interest goal of providing diversity in video programming should be extended to all citizens, not just to those willing and able to pay for it.

The projected modest increase in cable viewership by 1999 indicates that "radical changes in the nature and popularity of cable programming are not anticipated."<sup>34/</sup> Despite the increase of cable networks in the market, the combined audience share of all the cable networks amounts to only a fraction of the combined audience share of the three major broadcast networks, even in cable households.<sup>35/</sup> Furthermore, individual cable networks generally attract significantly smaller audiences than network affiliates or even some independent

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<sup>32/</sup> Broadcasting & Cable, October 3, 1994, at 60.

<sup>33/</sup> It is projected that by 1999, the percentage of all television households subscribing to cable television will increase to only 65.7 percent. See OPP Paper, 6 FCC Rcd at 4044, 4048.

<sup>34/</sup> Id. at 4048.

<sup>35/</sup> As of December 1994, cable networks collectively attracted an audience share of 18.4 percent, while ABC, CBS, and NBC collectively attracted an audience share of 50.8 percent, almost three times as much as that of the cable networks. Nielsen Activity Report, at B-1.

stations.<sup>36/</sup> Despite subscription payments, non-premium cable channels typically cannot afford original "network quality" programming.<sup>37/</sup>

C. **The Elimination of Network In-House Programming Restrictions Increases the Need to Preserve Opportunities for Independent Program Producers**

In light of the Commission's recent relaxation of the finsyn rules, including the elimination of restrictions on networks' "in-house"<sup>38/</sup> production,<sup>39/</sup> PTAR's protection against network-supplied programming during the access period becomes even more critical for the economic survival of independent program producers. With the removal of all limitations on network in-house programming, networks can be expected to rely more heavily on their own productions to fill their program schedules. The repeal of PTAR's network restriction would jeopardize the economic viability of independent program producers because it would enable the networks both to fill the access period with their own productions and to bar independent program producers from taking part in the production of those programs.

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<sup>36/</sup> For example, as of December 1994, the highest rated cable network, TBS, garnered a mere 2.6 percent share of the television viewing audience. Id.

<sup>37/</sup> OPP Paper, 6 FCC Rcd at 4049.

<sup>38/</sup> "In-house" programming refers to co-production arrangements between a network and an outside domestic or foreign producer, as well as programming produced solely by a network.

<sup>39/</sup> See Evaluation of the Syndication and Financial Interest Rules, 8 FCC Rcd 3282 (1993) ("1993 Finsyn Order"), as modified on recon., 8 FCC Rcd 8270 (1993) ("1993 Finsyn Recon. Order").

**D. The Commission's Admitted Uncertainty Concerning the Impact of the Elimination of the Finsyn Rules Counsels Against Precipitous Removal of Its Remaining Pro-Diversity Regulations**

In its 1993 Finsyn Order, the Commission expressed great reluctance to remove all finsyn restrictions because of concern over the harm such action might cause to independent stations:

[B]efore we remove all restrictions, we want to be certain that such an action will not harm local independent stations. For we are concerned that the harm that may result if we are wrong, would most greatly affect independent stations and the significant role they play in providing service to the public.<sup>40/</sup>

With the scheduled review of the network syndication ban under the finsyn rules to occur this year,<sup>41/</sup> the Commission should be even more cautious about removing PTAR's core prohibition against network-supplied programming during the access period, which acts as a critical safeguard for independent stations and the market for independently produced programs. Because both PTAR and the finsyn rules were intended to serve many of the same public interest objectives envisioned by the Commission in 1970, the concerns that the Commission expressed in its 1993 Finsyn Order regarding the impact of the removal of the finsyn rules apply with even greater force to the total elimination of PTAR. Eliminating PTAR's network restriction would remove prematurely all regulatory protections intended to promote diversity in television programming and the development of a truly independent program market. Accordingly, the Commission should retain PTAR's core prohibition against network-supplied programming during the access period.

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<sup>40/</sup> 1993 Finsyn Order, 8 FCC Rcd at 3320.

<sup>41/</sup> Id. at 3337-38.

#### **IV. THE BENEFITS OF RETAINING ACCESS BY INDEPENDENT PROGRAM PRODUCERS TO NETWORK AFFILIATES' PRIME TIME SCHEDULES OUTWEIGH ANY CLAIMED COSTS**

As discussed in Section II(A) above, retention of PTAR's network restriction will benefit the public interest by allowing affiliates to make programming choices for the access period free of network influence and by enhancing program, source, and outlet diversity. These significant benefits are uniquely tied to the continued existence of the network restriction. Without that restriction, the Commission would have no regulatory means to duplicate those benefits.

Despite the core restriction it places on network-supplied programming during the access period, PTAR's network restriction is an exceptionally modest and carefully tailored method of regulatory intervention. It does not impose a blanket restriction on all network affiliates, but rather only on those affiliates in the largest markets. By confining its application to the largest markets, the network restriction is thus able to effect widespread beneficial changes in the television industry without regulating network-supplied programming in all markets. In addition, the restriction applies to a one-hour period of time during the entire day. For the remaining twenty-three hours of the day, the networks can supply their affiliates with as many of their own programs as they like. Moreover, the one-hour access period is further reduced to the extent that certain network programs exempt from PTAR's restrictions are broadcast.<sup>42/</sup> As the Commission has recognized, the one-hour access period has been effectively pared down to a minimal one-half hour period as a result of the "general industry practice" of broadcasting a

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<sup>42/</sup> See 47 C.F.R. § 73.658(k).

half-hour of exempt network-supplied news programming during the first half-hour of the access period.<sup>43/</sup>

Because PTAR's network restriction is narrowly tailored to meet its public interest objectives, it poses no significant costs to any affected parties. The networks have unrestricted ability to program for the remaining twenty-three hours a day. Any minimal costs incurred by the networks under PTAR's network restriction are outweighed by the benefits of the restriction to independent program producers, whose economic viability and ability to provide diverse programming serves the public interest.

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<sup>43/</sup> See PTAR NPRM, 9 FCC Rcd at 6333 n.8, 6340 n.42.

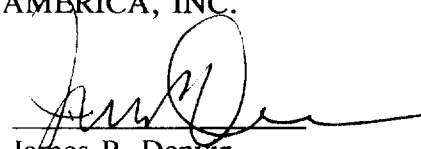
## V. CONCLUSION

The elimination of PTAR's core prohibition on network-supplied programming during the access period would deny the public access to an optimally diverse selection of video programming. Despite dramatic marketplace and regulatory changes in the years since PTAR was adopted, the public interest objectives that PTAR's network restriction was designed to promote require continued protection. To ensure these benefits in the future, the rule's core prohibition on network-supplied programming during the access period must be retained.

Respectfully submitted,

MOTION PICTURE ASSOCIATION  
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March 6, 1995

## CERTIFICATE OF SERVICE

I, Elizabeth Sawyer, certify that on this 6th day of March 1995, copies of the foregoing "Comments of the Motion Picture Association of America, Inc." were delivered or mailed, postage prepaid, to the following:

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